

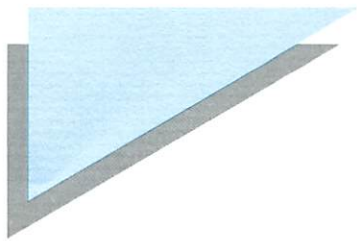
Vohora LLP

CPAs & Business Advisors

HAGWILGET FIRST NATION GOVERNMENT

FINANCIAL STATEMENTS

MARCH 31, 2021



Vohora LLP
CPAs & Business Advisors

HAGWILGET FIRST NATION GOVERNMENT

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MARCH 31, 2021

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HAGWILGET FIRST NATION GOVERNMENT
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
YEAR ENDED MARCH 31, 2021

The financial statements of the Hagwilget First Nation Government and all the information in this annual report are the responsibility of management and have been approved by the Council and the Executive Director.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards which includes certain amounts based on judgments and estimates. Management has chosen the most appropriate method to determine the judgments/estimates to ensure the financial statements are presented fairly, in all material respects.

The Hagwilget First Nation Government maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is reliable and accurate and that assets are adequately safeguarded.

Chief and Council are responsible for ensuring that management fulfills its responsibility for financial reporting and are ultimately responsible for reviewing and approving the financial statements.

The Council meets regularly with management and is available to meet with the external auditor to satisfy themselves that each party is properly discharging their responsibilities. The Council also considers the engagement of the external auditor.

The financial statements have been audited by Vohora LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. Vohora LLP has full access to the Chief and Council.

X

Chief Councilor

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Executive Director

HAGWILGET FIRST NATION GOVERNMENT
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
YEAR ENDED MARCH 31, 2021

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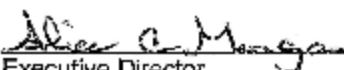
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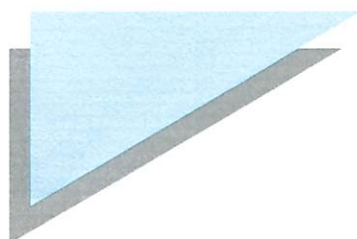
Chief Councilor





Executive Director





Vohora LLP
CPAs & Business Advisors

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INDEPENDENT AUDITOR'S REPORT

TO CHIEF AND COUNCIL - HAGWILGET FIRST NATION GOVERNMENT

Opinion

We have audited the financial statements of Hagwilget First Nation Government, which comprise the statement of financial position as at March 31, 2021 and the statements of financial activities, cash flows and changes in net financial assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2021 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

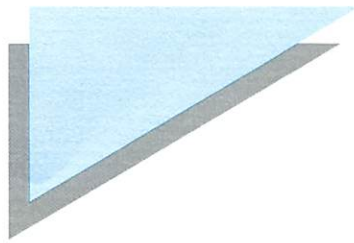
Responsibilities of Management and Council for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless conditions exist that do not allow for the going concern basis to be used.

Council is responsible for overseeing the First Nation's financial reporting process.





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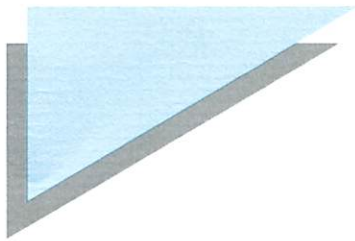
INDEPENDENT AUDITOR'S REPORT *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Vohora LLP

CPAs & Business Advisors

INDEPENDENT AUDITOR'S REPORT *(continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

The financial statements for the year ended March 31, 2020 were audited by another auditor who expressed an opinion on those financial statements on February 15, 2021.

Terrace, BC
December 4, 2023

Vohora LLP

Chartered Professional Accountants

HAGWILGET FIRST NATION GOVERNMENT

STATEMENT OF FINANCIAL POSITION

YEAR ENDED MARCH 31

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	959,671	683,787
Accounts receivable (note 2)	746,868	540,691
Ottawa Trust funds (note 3)	115,031	111,941
	<u>1,821,570</u>	<u>1,336,419</u>
LIABILITIES		
Accounts payable and accruals (note 4)	297,376	288,018
Long-term debt (note 5)	603,069	635,931
	<u>900,445</u>	<u>923,949</u>
NET FINANCIAL ASSETS	<u>921,125</u>	<u>412,470</u>
NON-FINANCIAL ASSETS		
Property and equipment (notes 1 and 7)	5,523,998	5,769,138
Prepaid expenses	29,886	22,522
	<u>5,553,884</u>	<u>5,791,660</u>
	<u>6,475,009</u>	<u>6,204,130</u>
FIRST NATION POSITION		
Operating surplus (note 6)	1,439,049	958,982
Equity in property and equipment (note 8)	4,920,929	5,133,207
Equity in Ottawa trust funds (note 3)	115,031	111,941
	<u>6,475,009</u>	<u>6,204,130</u>

APPROVED BY THE COUNCIL

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Chief Councillor

Executive Director

HAGWILGET FIRST NATION GOVERNMENT

STATEMENT OF FINANCIAL POSITION

YEAR ENDED MARCH 31

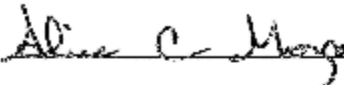
	2021 \$	2020 \$
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APPROVED BY THE COUNCIL



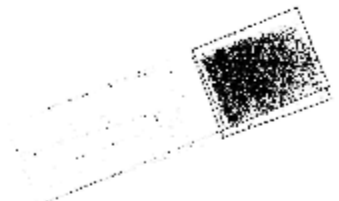
Chief Councillor

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Executive Director

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HAGWILGET FIRST NATION GOVERNMENT

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED MARCH 31

	2021	2020
	\$	\$
REVENUE		
ISC	2,356,415	1,771,557
FNHA	910,337	1,077,647
BC First Nation Gaming LP	458,163	428,471
FNESC	499,908	-
TRICORP	-	35,000
Rent	175,511	100,286
Hagwilget Rock Society / Trust	171,974	1,551,292
Ottawa Trust Funds	3,090	4,724
CMHC	28,440	21,330
Other	195,688	410,324
	<u>4,799,526</u>	<u>5,400,631</u>
 EXPENDITURE		
Administration	1,246,769	707,721
Amortization / loss on disposal	310,353	519,429
Community Health	696,779	864,348
Economic Development	175,510	142,528
Education	616,796	418,497
Hagwilget Rock Society / Trust	123,893	343,923
Housing	345,512	355,482
Public Works	495,240	712,410
Social Services	517,795	363,847
	<u>4,528,647</u>	<u>4,428,185</u>
 REVENUE OVER EXPENDITURE	270,879	972,446
 OPENING POSITION	<u>6,204,130</u>	<u>5,231,684</u>
 CLOSING POSITION	<u>6,475,009</u>	<u>6,204,130</u>

HAGWILGET FIRST NATION GOVERNMENT

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Revenue over expenditure	270,879	972,446
Amortization / loss on disposal	310,353	519,429
Accounts receivable	-206,177	-424,690
Prepaid expenses	-7,364	3,823
Ottawa Trust funds	-3,090	-4,724
Due to Hagwilget Rock Society	-	-829,014
Accounts payables and accruals	<u>9,358</u>	<u>-59,764</u>
	<u>373,959</u>	<u>177,506</u>
 FINANCING ACTIVITIES		
Long-term debt	<u>-32,862</u>	<u>635,931</u>
 INVESTING ACTIVITIES		
Property and equipment additions	<u>-65,213</u>	<u>-1,294,695</u>
 CHANGE IN CASH	275,884	-481,258
 OPENING CASH	<u>683,787</u>	<u>1,165,045</u>
 CLOSING CASH	<u>959,671</u>	<u>683,787</u>

HAGWILGET FIRST NATION GOVERNMENT

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

YEAR ENDED MARCH 31

	2021	2020
	\$	\$
Revenue over expenditure	270,879	972,446
Amortization / loss on disposal	310,353	519,429
Property and equipment additions	-65,213	-1,294,695
Prepaid expenses	<u>-7,364</u>	<u>3,823</u>
Change in the year	508,655	201,003
Opening net financial assets	<u>412,470</u>	<u>211,467</u>
Closing net financial assets	<u>921,125</u>	<u>412,470</u>

HAGWILGET FIRST NATION GOVERNMENT

NOTES

MARCH 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

a) Fund Accounting

These financial statements have been prepared using the fund accounting method and guidelines issued by Indigenous Services Canada (ISC) which include compliance with Canadian public sector accounting standards.

The First Nation maintains the following funds which are consolidated into the financial statements:

- Operating Fund reports the general activities of the First Nation.
- Capital Fund reports the property and equipment of the First Nation, together with related financing.
- Ottawa Trust funds reports the trust funds owned by the First Nation and held by the federal government.

b) Property and Equipment

Property and equipment are reported at cost and are amortized using the declining balance method, for non-social housing assets, at the following annual rates:

Buildings	4%
Engineered structures	4%
Equipment	20%

c) Recognition of Revenue and Expenditures

Revenue and expenditures are reported on an accrual basis.

Revenue is recorded in the period in which the transaction or events that give rise to the revenue occur. Funding from external parties restricted by agreement or legislation is reported as deferred revenue until used for the purposes specified. Investment revenue is recognized when earned.

Expenditures are accounted for in the period when the goods and services are acquired, and the liability is incurred.

d) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards require management to make estimates and assumptions that affect the amounts reported. Actual results could differ from these estimates.

HAGWILGET FIRST NATION GOVERNMENT

NOTES

MARCH 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial Instruments

The First Nation measures financial assets and liabilities at market value at the date of acquisition. It is management's opinion that the First Nation's financial instruments are not exposed to significant interest rate, liquidity, market or other price risks.

f) Budget information

Budgets were not prepared for the current fiscal year.

2. ACCOUNTS RECEIVABLE

	2021	2020
ISC	\$ 166,799	\$ 73,072
FNESC	400,336	-
All Nations Trust Company	48,530	48,530
Hagwilget Trust	-	343,922
Trade and other	157,823	92,717
Allowance for doubtful accounts	<u>-26,620</u>	<u>-17,550</u>
	<u>\$ 746,868</u>	<u>\$ 540,691</u>

3. OTTAWA TRUST FUNDS

ISC holds funds in trust for the First Nation. These funds are designated as revenue or capital funds as is required by the Indian Act. The First Nation is permitted to expend its revenue fund for any purpose that will promote the general progress and welfare of the First Nation and its members. The expenditure of capital funds must be for projects of a capital nature and require the consent of ISC.

	Capital	Revenue	Total 2021	Total 2020
	\$	\$	\$	\$
Opening balance	4,095	107,846	111,941	107,217
Income	<u>-</u>	<u>3,090</u>	<u>3,090</u>	<u>4,724</u>
Closing balance	<u>4,095</u>	<u>110,936</u>	<u>115,031</u>	<u>111,941</u>

HAGWILGET FIRST NATION GOVERNMENT

NOTES

MARCH 31, 2021

4. ACCOUNTS PAYABLE AND ACCRUALS

	2021	2020
Canada Revenue Agency	\$ 47,906	\$ 51,939
Trade payables	188,831	179,977
Wages and benefits	<u>60,639</u>	<u>56,102</u>
	<u>\$ 297,376</u>	<u>\$ 288,018</u>

5. LONG-TERM DEBT

All Nations Trust Company, \$2,448 per month including interest at 1.67% per annum, secured by a mortgage over buildings. \$ 567,770

Royal Bank of Canada, \$1,232 per month including interest at 5.99% per annum; secured by specific equipment. 35,299

\$ 603,069

Scheduled principal repayment during the next five years is as follows:

2022	\$ 33,908
2023	34,220
2024	29,171
2025	21,094
2026	<u>21,449</u>
	<u>\$ 139,842</u>

6. OPERATING SURPLUS (DEFICIT)

	2021	2020
Administration	\$ 354,433	\$ 409,732
Community Health	522,056	371,299
Economic Development	209,472	78,009
Education	621,737	227,780
Housing	-23,780	-632,841
Public Works	-154,533	145,373
Social Services	-90,336	-223,922
Hagwilget Trust	-	-
Rock Society	<u>-</u>	<u>583,552</u>
	<u>\$ 1,439,049</u>	<u>\$ 958,982</u>

HAGWILGET FIRST NATION GOVERNMENT

NOTES

MARCH 31, 2021

7. PROPERTY AND EQUIPMENT

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Annual Amortization	Disposals	Closing Balance	Total 2021	Total 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	591,542	-	-	591,542	-	-	-	-	591,542	591,542
Buildings	6,221,068	30,213	-	6,251,281	2,743,346	175,396	-	2,918,742	3,332,539	3,477,722
Engineered structures	4,793,792	-	-	4,793,792	3,380,336	70,673	-	3,451,009	1,342,783	1,413,456
Equipment	<u>1,167,841</u>	<u>35,000</u>	<u>-57,564</u>	<u>1,145,277</u>	<u>881,423</u>	<u>64,284</u>	<u>-57,564</u>	<u>888,143</u>	<u>257,134</u>	<u>286,418</u>
	<u>12,774,243</u>	<u>65,213</u>	<u>-57,564</u>	<u>12,781,892</u>	<u>7,005,105</u>	<u>310,353</u>	<u>-57,564</u>	<u>7,257,894</u>	<u>5,523,998</u>	<u>5,769,138</u>

HAGWILGET FIRST NATION GOVERNMENT

NOTES

MARCH 31, 2021

8. EQUITY IN PROPERTY AND EQUIPMENT

	2021	2020
Opening balance	\$ 5,133,207	\$ 4,514,056
Contribution from operations	65,213	1,242,236
Long-term debt repayment	32,862	16,045
Equity adjustment due to prior year error	-	479,817
Long-term debt for social housing in prior year	-	-599,518
Amortization / loss on disposal	<u>-310,353</u>	<u>-519,429</u>
Closing balance	<u>\$ 4,920,929</u>	<u>\$ 5,133,207</u>

9. SEGMENT DISCLOSURE

The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in note one. The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the year are as follows:

HAGWILGET FIRST NATION GOVERNMENT

NOTES

MARCH 31, 2021

9. SEGMENT DISCLOSURE (continued)

	Administration	Community Health	Economic Development	Education	Housing	Public Works	Social Services	Hagwilget Rock Society / Trust	Amortization	Total 2021	Total 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE											
ISC	653,049	-	80,801	357,376	387,004	256,093	622,092	-	-	2,356,415	1,771,557
FNESC	-	-	-	499,908	-	-	-	-	-	499,908	-
FNHA	-	818,645	-	91,692	-	-	-	-	-	910,337	1,077,647
CMHC	-	-	-	-	28,440	-	-	-	-	28,440	21,330
Rent	-	-	117,536	-	57,975	-	-	-	-	175,511	100,286
TRICORP	-	-	-	-	-	-	-	-	-	-	35,000
Hagwilget Rock Society / Trust	-	-	-	-	-	-	-	171,974	-	171,974	1,551,292
Ottawa Trust Funds	3,090	-	-	-	-	-	-	-	-	3,090	4,724
BC First Nation Gaming LP	458,163	-	-	-	-	-	-	-	-	458,163	428,471
Other	100,361	55,997	229	35,820	96	3,185	-	-	-	195,688	410,324
	<u>1,214,663</u>	<u>874,642</u>	<u>198,566</u>	<u>984,796</u>	<u>473,515</u>	<u>259,278</u>	<u>622,092</u>	<u>171,974</u>	<u>-</u>	<u>4,799,526</u>	<u>5,400,631</u>
EXPENDITURE											
Amortization / loss on disposal	-	-	-	-	-	-	-	-	310,353	310,353	519,429
Benefits and programs	-	111,238	-	305,395	-	-	420,034	7,106	-	843,773	658,913
Contract services	116,414	79,877	31,728	3,170	62,567	14,979	-	-	-	308,735	569,257
Honoraria	67,893	-	-	3,383	-	-	-	-	-	71,276	60,083
Insurance	19,574	1,396	29,042	-	-	19,006	-	-	-	69,018	68,348
ISC recovery	-	-	-	-	-	-	-	-	-	-	-
Materials, supplies and other	228,332	221,152	45,033	79,994	114,945	249,114	23,663	57,539	-	1,019,772	980,771
Professional services	253,741	-	14,457	-	1,875	-	-	5,000	-	275,073	169,183
Telephone and utilities	33,725	15,097	38,562	4,397	7,349	46,781	-	46,317	-	192,228	109,052
Travel and workshops	3,686	4,237	-	20,994	-	1,077	2,983	850	-	33,827	76,828
Wages and benefits	523,404	263,782	16,688	199,463	158,776	164,283	71,115	7,081	-	1,404,592	1,216,321
	<u>1,246,769</u>	<u>696,779</u>	<u>175,510</u>	<u>616,796</u>	<u>345,512</u>	<u>495,240</u>	<u>517,795</u>	<u>123,893</u>	<u>310,353</u>	<u>4,528,647</u>	<u>4,428,185</u>
REVENUE OVER EXPENDITURE	<u>-32,106</u>	<u>177,863</u>	<u>23,056</u>	<u>368,000</u>	<u>128,003</u>	<u>-235,962</u>	<u>104,297</u>	<u>48,081</u>	<u>-310,353</u>	<u>270,879</u>	<u>972,446</u>
TRANSFERS	<u>-5,103</u>	<u>-7,106</u>	<u>57,553</u>	<u>25,957</u>	<u>531,043</u>	<u>-</u>	<u>29,289</u>	<u>-631,633</u>	<u>-</u>	<u>-</u>	<u>-</u>
ANNUAL SURPLUS (DEFICIT)	<u>-37,209</u>	<u>170,757</u>	<u>80,609</u>	<u>393,957</u>	<u>659,046</u>	<u>-235,962</u>	<u>133,586</u>	<u>-583,552</u>	<u>-310,353</u>	<u>270,879</u>	<u>972,446</u>